Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

RFE INDUSTRIES, INC.,

Petitioner,

vs.

SPM CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED FOR REVIEW

1. Does defendant's fraudulent concealment of its jurisdictional contacts with plaintiff's chosen forum, in order to obtain a transfer of venue pursuant to 28 U.S.C. §1404(a), require retransfer to the original forum?

2. Did the Fourth Circuit Court of Appeals apply the correct legal standard in denying plaintiff's motion to retransfer this action to the District of New Jersey.

PARTIES TO THIS PROCEEDING

The caption of the case contains the names of all the parties. There are no parent companies. There are no non-wholly owned subsidiaries.

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PETITION FOR WRIT OF CERTIORARI

Petitioner respectfully prays that a Writ of Certiorari issue to review the judgment and order of the United States Court of Appeals for the Fourth Circuit entered in this proceeding on January 29, 1997.

OPINION AND ORDER BELOW

The opinion of the United States Court of Appeals for the Fourth Circuit appears at 105 F.3d 923, A-1[1]

[1] "A" refers to the Appendix attached hereto.

JURISDICTION

The Judgment and Order of the Court of Appeals was entered on January 29, 1997.

This Court's jurisdiction is invoked under 28 U.S.C. §1254(1).

STATUTE INVOLVED

28 U.S.C. §1404. Change of Venue

(a) For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.

STATEMENT OF THE CASE

This action was instituted by RFE Industries, Inc., ("RFE") against SPM Corporation ("SPM") in March, 1992 in the United States District Court for the District of New Jersey alleging trademark infringement and unfair competition pursuant to 15 U.S.C. §1125(a). RFE also asserted claims for trademark infringement under state and common law, and for tortious interference with contract. RFE's claims relate to the development and sale of a certain type of silver anode called "popcorn" which is used in the electroplating industry.

The essence of this action is SPM's use of the name "popcorn" to market and sell the identical product developed by RFE. RFE had coined this fanciful name as a marketing gimmick since the subject anodes are neither a food product nor do they resemble popcorn. Through this action, RFE sought to enjoin SPM from any further use of the term popcorn as well as to recover monetary damages.

After this action was filed in the District of New Jersey, SPM moved to dismiss the Complaint for lack of personal jurisdiction pursuant to Fed.R. Civ. P. 12(b)(2). SPM supported its application with an affidavit of its president, Allen Woody, which stated that SPM "does not do business in the State of New Jersey and has never sold or shipped any

product to a customer in New Jersey." (A-35 to A-36) By Order dated January 8, 1993 the Honorable Harold A. Ackerman, U.S.D.J., denied SPM's motion without prejudice to allow RFE to take jurisdictional discovery. (A-9)

In response to RFE's jurisdictional discovery requests Allen Woody certified in April 1993 that SPM had no New Jersey customers, had never entered into any contracts with a New Jersey business and did not send its products to any New Jersey customers. The only "contact" that SPM identified was a 1990 meeting with an unnamed New Jersey supplier regarding the purchase of certain chemicals. (A-37 to A-44)

In or about May 1993, SPM renewed its Motion to Dismiss for lack of personal jurisdiction. In support of this Motion SPM submitted its responses to RFE's discovery requests. Additionally, it resubmitted Mr. Woody's Affidavit denying that SPM had any New Jersey contacts. By virtue of SPM's sworn representations, the Honorable Stanley R. Chesler, U.S.M.J. issued a Report and Recommendation dated September 27, 1993 finding that the court did not have personal jurisdiction over SPM and that the matter should be transferred to the Western District of Virginia pursuant to 28 U.S.C. §1404(a). (A-10). By Order dated February 25, 1994, the Honorable Harold A. Ackerman, U.S.D.J. adopted Judge Chesler's Report and Recommendation and transferred the matter to the Western District of Virginia. (A-18). Prior to the transfer of the action in February 1994, SPM did not supplement or amend any of its sworn submissions.

After the matter was transferred, RFE discovered that SPM's sworn representations concerning its jurisdictional ties to New Jersey were false and misleading. Despite a certified denial in April 1993 that SPM was not selling its product to New Jersey customers, SPM's own records confirmed that it had at least six New Jersey customers, one of which existed *prior* to the time SPM responded to RFE's discovery requests. Through subpoena RFE also discovered that SPM purchased products from one of its New Jersey customers as early as

November 1992. Not one of those contacts was ever disclosed to RFE or the New Jersey Court.

Even more disturbing, SPM's original disclosure concerning its purchase of chemicals from one unnamed New Jersey company was patently misleading. Specifically, in 1990, SPM entered into a distribution agreement with New Jersey-based Englehard Industries to distribute silver salts.[2] Moreover, SPM used this very distribution agreement with the New Jersey company as the key to its marketing efforts to sell silver popcorn. (See e.g., A-45)

From January 1991 through the time that the lawsuit was filed in March 1992, SPM made 19 purchases from Englehard in a total amount of over $32,000. Through March 1995, SPM's total purchases from Englehard exceeded $800,000. (A-47 to A-49). SPM admitted that it made similar purchases from Englehard as early as 1990 but Englehard had destroyed these records. Clearly, the distribution agreement was not an isolated purchase of chemicals as SPM led the New Jersey court to believe, when seeking the transfer; instead, SPM's own solicitation letter for the offending product reflected that it entered into a *distribution* arrangement in 1990, for a non-chemical product directly related to its anode business. Thus, despite SPM's representations to the District of New Jersey to the contrary, SPM's relationship to New Jersey was both continuous and significant.

Upon discovery of SPM's jurisdictional ties with New Jersey, RFE moved to retransfer the action to the District of New Jersey. RFE argued that had SPM not deceived the New Jersey Court concerning its New Jersey ties, SPM's motion to transfer would have been denied and RFE would have been allowed to proceed in its chosen jurisdiction. However, RFE's motion was denied by Order of the Honorable Jackson L. Kiser, U.S.D.J., dated April 28, 1995, who ruled that although SPM had more contacts with New Jersey than it had

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[2] Silver salts are not chemicals in liquid form as SPM initially represented.

previously disclosed, these contacts were not substantial enough to have caused the New Jersey Court to retain jurisdiction. (A-20)

Near this time, SPM also moved for summary judgment to dismiss plaintiff's Complaint and to cancel RFE's trademark. Through the April 28, 1995 Order, Judge Kiser dismissed the Complaint in full ruling as a matter of law that the term "popcorn" was descriptive and without secondary meaning despite a prior contrary finding by the U.S. Office of Patents and Trademarks. The Court also dismissed RFE's claim for tortious interference reasoning that there was insufficient evidence that RFE had any expectation of economic benefit. RFE appealed Judge Kiser's decisions to the United States Court of Appeals for the Fourth Circuit. (A-20)

By opinion dated January 29, 1997, the Fourth Circuit reversed the district court's ruling and held as a matter of law that "popcorn" is a suggestive term and is thus, worthy of trademark protection. However, the Fourth Circuit affirmed the district court's denial of the retransfer motion, as well as its dismissal of the tortious interference claim. (A-1)

ARGUMENTS

I.

THE FOURTH CIRCUIT COURT OF APPEALS IMPROPERLY RULED THAT THIS MATTER SHOULD NOT BE RETRANSFERRED

The Court of Appeals erred by not retransferring this matter to the District of New Jersey in light of SPM's concealment and misrepresentation of its jurisdictional contacts in connection with its motion to transfer. In affirming the denial of the motion to retransfer the Court of Appeals held that:

1) even if the District of New Jersey was fully apprised of SPM's contacts with New Jersey, this matter would still have been transferred to the Western District of Virginia;

2) RFE failed to demonstrate that as of the date of retransfer it would have been prejudiced by being compelled to litigate in Virginia; and

3) there has been no showing that SPM perpetrated a fraud on the Court by intentionally concealing its contacts with New Jersey.

The Court of Appeals' findings are not supported by the record below and are contrary to applicable law.

A. SPM'S CONTACTS WERE SUFFICIENT TO SUBJECT IT TO JURISDICTION IN NEW JERSEY

If SPM had provided truthful and accurate disclosures concerning its jurisdictional ties to New Jersey, the federal court in New Jersey would never have transferred this action to the Western District of Virginia. Accordingly, when SPM's false statements were brought to the attention of the Western District of Virginia, that court should have ordered retransfer. *See U.S. vs. Copley*, 25 F.3d 660 (8th Cir. 1994); *Lloyd vs. FDIC*, 22 F.3d 335 (1st Cir. 1994).

The District of New Jersey clearly had jurisdiction over SPM which can be exercised if either: (i) the cause of action arose from SPM's contacts with the forum state ("specific jurisdiction"), or (ii) if SPM has continuous and systematic contacts with the forum state ("general jurisdiction"). See *Helicopteros Nacionales de Colombia, S.A. vs. Hall*, 466 U.S. 408, 414-16, (1984); *Provident National Bank vs. California Federal Savings and Loan Association*, 819 F.2d 434, 437 (3rd Cir. 1987). Minimum contacts require that the defendant purposely avail itself of the privilege of conducting activities in the forum state "thus invoking the benefits and protections of its laws." *Burger King Corp., vs. Rudzewicz*, 471 U.S. 462, 475 (1985). A defendant's conduct in New Jersey must be

such that it "should reasonably anticipate being haled into court" here. *Burger King*, 471 U.S. at 475. [3]

Numerous cases have held that even a single contact with a state is sufficient to vest the forum state with jurisdiction. See e.g., *McGee vs. International Life Insurance Co.*, 355 U.S. 220 (1957) (non-resident insurance company which mails a reinsurance certificate to a California resident is deemed to be subject to suit in California); *Carteret Savings Bank vs. Shushan*, 954 F. 2d 141 (3rd Cir. 1992) (Louisiana attorney subject to suit in New Jersey where his sole contact was one meeting in that state and a few letters and phone calls to the New Jersey client).

Even more compelling, where the tortious acts occur outside of the forum state and foreseeably cause effects in that state, the jurisdictional nexus is met. In *Calder vs. Jones*, 465 U.S. 783 (1983) the Florida defendants wrote and edited an article for a national magazine that had a circulation in California. The article contained allegedly libelous statements about a California resident. The Supreme Court established that California had personal jurisdiction over the defendants on the theory that those who authored and edited the article intended to cause injury to a California resident. The fact that one of the defendants had only been to California twice and for events unrelated to the litigation was not dispositive. *Calder*, 465 U.S. at 786. The Supreme Court found that:

> "[Defendants'] intentional and allegedly tortious actions were expressly aimed at California. [Defendants] edited an article that they knew would have a potentially devastating impact upon [Plaintiff]. And they knew that the brunt of that

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[3] Fed. R. Civ. P. 4(e) permits a federal court to exercise jurisdiction over a non-resident to the extent allowed by the rules of court of the State where the district court is located. New Jersey's Long Arm Statute, New Jersey Court Rule 4:4-4(b)(1), permits a court to exercise jurisdiction to the fullest extent permitted by due process. *Lebel vs. Everglade Marina, Inc.*, 115 N.J. 317 (1989).

> injury would be felt by [Plaintiff] in the state in which she lives..." *Calder*, 465 U.S. at 789-790.

Analogously, in *Horne vs. Adolph Coors Company*, 684 F.2d 255 (3rd Cir. 1982) the Third Circuit found that jurisdiction in a patent infringement action had been established where the infringing party had no contacts with the state but that "if the products it placed in the stream of commerce infringed a valid patent, it would cause injury to the owner thereof", and jurisdiction would be vested in whatever state the patent owner resides. *Horne*, 684 F.2d at 260.

In the subject action, the New Jersey court paid particular attention to *Horne* in determining whether personal jurisdiction could be asserted over SPM. The court stated that:

> "If SPM knew of RFE's common law mark, if products made and marketed by SPM violated that mark, and if some of these products reached New Jersey, it would not be a violation of due process for New Jersey to exercise jurisdiction over SPM." (A-15).

The current record meets the *Horne* standard and establishes jurisdiction over SPM. It is undisputed that between 1991 and March 1992 SPM marketed the identical product with the name popcorn. It is also undisputed that SPM sold products to New Jersey customers. Additionally, the record establishes that SPM had a substantial and continuing relationship with a New Jersey company (Englehard) in 1990, from which SPM purchased over $800,000 worth of products. Moreover, SPM has admitted in answers to interrogatories that it knew of RFE's use of the term "popcorn" prior to marketing its anode with that name. (A-50).

Not only did SPM have continuous dealings with this New Jersey company, but SPM purchased from, and sold products to, at least one New Jersey company *prior* to its certified denial that it had no customers in New Jersey and did not conduct any business in New Jersey. Based upon SPM's contacts concerning its marketing of silver popcorn and upon the

totality of the contacts with the state, there is no question that the New Jersey court had *both* specific and general jurisdiction over SPM.

In addressing the motion to retransfer, the District Court and the Fourth Circuit failed to apply the jurisdictional standards of the Third Circuit and failed to properly address the fact that SPM obtained the transfer through fraudulent means.

B. RFE WAS CLEARLY PREJUDICED BY THE IMPROPER TRANSFER

In affirming the District Court's refusal to retransfer this matter to New Jersey, the Court of Appeals found that RFE had not demonstrated that it was prejudiced by being compelled to litigate this matter in Virginia. RFE submits that these findings are erroneous. Where an action is transferred to a jurisdiction other than the one selected by the plaintiff, there must be a presumption of hardship and prejudice. Without question, litigating a matter in another jurisdiction presents substantially more burden, cost and expense.

Even if this does not constitute sufficient prejudice, RFE should not be required to make such a showing. Plaintiffs are presumptively entitled to their choice of forum, *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508 (1947) and a plaintiff should not be required to show prejudice to retransfer an action where the original transfer was based upon intentional nondisclosure and misrepresentation.

C. SPM DELIBERATELY CONCEALED ITS NEW JERSEY CONTACTS

On three separate occasions prior to the order of transfer, SPM certified that it had no business contacts with New Jersey. Notwithstanding these unequivocal representations, the facts are to the contrary. At the time these representations were made, SPM sold its product to at least six New Jersey companies. Most significantly, since 1990, SPM had a distributorship arrangement with a New Jersey based company to sell silver salts. In fact, SPM tied this distribution arrangement directly to its efforts to sell the offending product. SPM

concealed these business contacts and misrepresented the nature of the distribution agreement. Thus, the evidence unequivocally shows that SPM's concealment of its New Jersey contacts was intentional and fraudulent.

II.

THIS COURT HAS NOT PREVIOUSLY ADDRESSED THE CONTROLLING STANDARDS THAT A TRANSFEREE COURT SHOULD APPLY WHEN CONSIDERING WHETHER TO RETRANSFER AN ACTION

We are not aware of any published decision addressing a retransfer pursuant to 28 U.S.C. §1404(a) when the initial application was procured by fraud. Because the Fourth Circuit's decision conflicts with a plaintiff's fundamental right to have a matter litigated in its chosen forum, the Court should consider this application and establish standards for a retransfer application where the initial transfer was fraudulently obtained. See *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508 (1947).

CONCLUSION

This Court should grant certiorari and retransfer this matter to the District of New Jersey for all further proceedings.

Respectfully,

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APPENDIX

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Appendix A

PUBLISHED

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

RFE Industries, Incorporated,
Plaintiff-Appellant,

v.

SPM Corporation,
Defendant-Appellee.

No. 95-2665

Appeal from the United States District Court
for the Western District of Virginia, at Lynchburg.
Jackson L. Kiser, Chief District Judge.
(CA-94-20-L)

Argued: October 31, 1996

Decided: January 29, 1997

Before WIDENER and HALL, Circuit Judges, and
THORNBURG, United States District Judge for the
Western District of North Carolina, sitting by designation.

Affirmed in part, vacated in part, and remanded with instructions by published opinion. Judge Hall wrote the opinion, in which Judge Widener and Judge Thornburg joined.

COUNSEL

ARGUED: David Marc Freeman, NAGEL, RICE & DREIFUSS, Livingston, New Jersey, for Appellant. Michael Francis Urbanski, WOODS, ROGERS & HAZLEGROVE, P.L.C., Roanoke, Virginia, for Appellee. **ON BRIEF:** Bruce H. Nagel, NAGEL, RICE & DREIFUSS, Livingston, New

Jersey; GENTRY, LOCKE, RAKES & MOORE, Roanoke, Virginia, for Appellant. Dudley F. Woody, Frank K. Friedman, Paul C. Kuhnel, WOODS, ROGERS & HAZLEGROVE, P.L.C., Roanoke, Virginia, for Appellee.

OPINION

HALL, Circuit Judge:

RFE Industries, Inc., a New Jersey corporation, filed this action against SPM Corporation of Montvale, Virginia, in the district court for the District of New Jersey, alleging that SPM had violated federal and state law by infringing on RFE's "Popcorn" trademark, used by RFE to denote certain of the silver anodes that it manufactures and distributes for use in electroplating. SPM successfully maintained that it was not subject to personal jurisdiction in New Jersey, and the case was transferred to the Western District of Virginia on February 25, 1994. RFE's motion for retransfer was denied by the district court below, and that court subsequently entered a final order granting SPM's motion for summary judgment on all claims. RFE timely filed a notice of appeal.

We conclude that the district court did not abuse its discretion by denying the motion for retransfer, and we affirm its grant of summary judgment to SPM on RFE's state-law claim for tortious interference with contractual relations. We vacate the court's judgment and remand the case with respect to the remaining claims, however, because its finding that RFE's trademark is merely descriptive is clearly erroneous.

I.

Both RFE and SPM supply anodes to the electroplating industry. These anodes are small pieces of metal that, when placed in a plastic or titanium basket, subjected to an electric current, and submerged into a potassium cyanide "bath," ionize, dissolve, and accumulate on the surface to be plated.

RFE developed a process in early 1989 to make silver anodes in shapes that vaguely resemble cereal flakes or, perhaps, popped corn. Later that year, RFE began to market its new product, which it called "Popcorn." In June 1990, RFE applied to register the mark with the United States Patent and Trademark Office (PTO).

During September 1991, SPM began selling the identical product under the same name; it mailed solicitation letters, containing samples of its product, to prospective purchasers. A few of those letters reached some of RFE's customers, one of which forwarded a copy to RFE in March 1992. RFE filed suit soon thereafter, asserting claims for trademark infringement and for unfair competition under the Lanham Act, 15 U.S.C. § 1051 *et seq.* The complaint also alleged state-law claims for infringement and for tortious interference with contractual relations.

Upon learning of the suit, SPM changed the name of its product from "Popcorn" to "Snowflake." On November 9, 1993, the PTO issued a certificate of registration to RFE for its "Popcorn" trademark, without requiring RFE to submit any proof that the mark had acquired a secondary meaning. *See* Section III-A, *infra.*

The PTO's certification failed to convince the district court, which found the "Popcorn" mark, as it pertains to silver anodes, undeserving of protection from infringement. The court's finding necessitated the entry of summary judgment for SPM on three of RFE's four claims; the fourth claim, that for tortious interference with contractual relations, was also held by the district court to be without merit. RFE appeals.

II.

At the threshold, we must determine whether the district court abused its discretion by denying RFE's motion to retransfer the case to the District of New Jersey. *See Linnell v. Sloan,* 636 F.2d 65, 67 (4th Cir. 1980) (stating applicable standard of review).

RFE contends that the case was ripe for retransfer when, during the latter stages of discovery, it finally came to light that SPM had failed to timely disclose its business relationship, beginning in 1990, with Englehard Corporation, a New Jersey wholesaler of silver salts. It was also revealed that SPM had purchased silver from another New Jersey company in November 1992, and that it had sold silver cyanide to a New Jersey customer about a year prior to the February 1994 transfer order.

The district court below observed that, had the district court in New Jersey known of SPM's then-existing contacts with the putative forum state, it nonetheless need not have determined that those contacts were so substantial as to require it to assert personal jurisdiction over SPM. We agree that, even had the New Jersey court been fully apprised of the nature and quality of SPM's contacts, it could have nevertheless exercised its sound discretion to grant the transfer motion.

We note also that RFE failed to demonstrate below that, as of the date it moved for retransfer, it had been or would be prejudiced by being compelled to litigate in Virginia. Moreover, there has been no showing that SPM perpetrated a fraud on the court by intentionally concealing its contacts with New Jersey. In light of the above considerations, we hold that the district court below did not abuse its discretion by denying the motion for retransfer.

III.

A.

We turn now to the merits of RFE's contention that the designation "Popcorn," pertaining to its line of oddly shaped silver anodes, is a mark worthy of legal safeguarding. We have noted previously that the protection accorded such marks is a function of the mark's distinctiveness. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir.), *cert. denied*, 117 S. Ct. 412 (1996). "Fanciful," "arbitrary," or "suggestive" marks are distinctive; marks that are merely "descriptive" or "generic" are not, unless, in the case of the former, the

primary significance of the product feature described by the mark is to identify the source of the product, rather than the product itself. *Id.* Such descriptive marks — Coca-Cola®, for example — are said to have acquired "secondary meaning" in the minds of the public. *Id.*

The controversy here, typical of trademark disputes, centers on whether RFE's "Popcorn" mark is suggestive (and therefore distinctive) or merely descriptive. The district court found that the "Popcorn" designation, as applied to silver anodes, "describes a characteristic of the product — its shape or appearance — rather than suggest[s] it." The court found further that "Popcorn" had not acquired a secondary meaning in the silver anode market, identifying RFE as its single source. The district court's findings may be disturbed on appeal only if they are clearly erroneous. *Sara Lee* at 460; *Pizzeria Uno Corp.* v. *Temple,* 747 F.2d 1522, 1526 (4th Cir. 1984).

We agree with the district court that the proper focus in this case is on the product's shape. Any similarity between "Popcorn" anodes and actual popped corn begins and ends with shape; the designation is in no way intended to indicate that RFE's anodes have the color, weight, or texture of popcorn. The question to be answered, then, is the one posed by the district court: Does the term "Popcorn" suggest the anodes' shape, or merely describe it?

We begin by acknowledging that basic, "common" shapes are not generally accorded trademark protection. *Wiley v. American Greetings Corp.,* 762 F.2d 139, 141–42 (1st Cir. 1985) ("It is hornbook law that 'ordinary geometric shapes such as circles, ovals, squares, etc., . . . are regarded as nondistinctive and protectable only upon proof of secondary meaning.'"), *quoting* J. Thomas McCarthy, *Trademarks and Unfair Competition,* § 7:12, at 172; *Brooks Shoe Mfg. Co., Inc.* v. Suave *Shoe Corp.,* 716 F.2d 854, 858 (11th Cir. 1983) (quoting *McCarthy).*

Our acknowledgment does not, however, end our inquiry. The word "popcorn" is not generally used to denote a shape, much less a common or ordinary one like a circle or square;

we doubt, for example, that geometry students are routinely asked to bisect a "popcorn." Moreover, popcorn does not admit of a paradigmatic shape. Like snowflakes (both real and SPM's anode version), it might be said that no two of the popped kernels are exactly alike.

Even were the shape at issue one that is both common and constant, an important distinction must be made when the product only resembles, and does not replicate, the shape. No one would mistake RFE's anodes for popcorn, even if they were the same color and texture, drenched in butter, and salted.

The anodes are not themselves popcorn. They are not made of popcorn, and they are not used in the manufacture of popcorn. In the context of silver anodes, then, the name "Popcorn" is neither a generic term nor an actual description of any "function, use, characteristic, size, or intended purpose of the product." *See Sara Lee,* 81 F.3d at 464. RFE's "Popcorn" mark is instead a metaphor; it cleverly conjures or suggests an image that its product vaguely resembles. The name therefore "reinforces the association between the product and its source — a sure sign of a mark entitled to protection." *Id.* at 465.

Lastly, we note that we find ourselves confronted yet again with a case where a trademark has been ruled descriptive, notwithstanding that the PTO has issued a certificate of registration for the mark without requiring proof of secondary meaning. We have said at least twice before that the PTO's taking of such an action is powerful evidence that the registered mark is suggestive and not merely descriptive. See *Sara Lee* at 465 n.12; *Pizzeria Uno* at 1529 ("this essential fact . . . must be considered prima facie correct by a court in considering the validity of a trademark[.]") (citations omitted).

It must by now be apparent that a district court should not freely substitute its opinion for the PTO's. *See Sara Lee* at 465 n.12 ("The inescapable conclusion is that either the Patent and Trademark Office or the district court has made a mistake; we are convinced that it was the latter."). We conclude

that the PTO has again correctly determined the mark at issue to be suggestive, and that the district court's finding to the contrary is clearly erroneous.

B.

Our holding today does not, in light of the record before us, mandate the entry of judgment for RFE on the three claims to which the strength or distinctiveness of its mark is relevant. The district court, in ruling that SPM was entitled to summary judgment based solely upon the perceived weakness of RFE's mark, did not consider factors other than distinctiveness that may be pertinent to resolving the question of whether SPM's use of the "Popcorn" trademark was likely to have resulted in anode purchasers confusing its product with RFE's. *See Sara Lee* at 463–64 (cataloging a non-exclusive list of potential factors). A likelihood of confusion must be established in order for a plaintiff to prevail on claims of trademark infringement and unfair competition under the Lanham Act. *Id.* at 463. The same is true of common-law infringement claims. *See, e.g., Rosso & Mastracco, Inc. v. Giant Food Shopping Center of Va.*, 104 S.E.2d 776, 781 (Va. 1958).

For the purposes of remand, then, we instruct the district court only that it must consider the distinctiveness of RFE's "Popcorn" trademark to be conclusively established. Whether RFE may ultimately prevail on its claims, along with the nature and extent of any relief to which it may be entitled, are among those issues left for the district court to determine.

IV.

We turn finally to the district court's grant of summary judgment to SPM on RFE's state-law claim for tortious interference with contractual relations. The essence of this claim is that SPM made unsolicited mailings and telephone calls to some of RFE's customers, offering to sell them "Popcorn" at a lower price than RFE was asking. The tort has four elements:

> (1) the existence of a valid contractual relationship or business expectancy; (2) knowledge of the

> relationship or expectancy on the part of the interferer; (3) intentional interference inducing or causing a breach or termination of the relationship or expectancy; and (4) resultant damage to the party whose relationship or expectancy has been disrupted.

Chaves v. Johnson, 335 S.E.2d 97, 102 (Va. 1985).

In this case, the affected customers had, in the past, simply ordered their anodes from RFE on an "as needed" basis; they had not committed to any future purchases of "Popcorn" at all. RFE thus had only the weakest kind of business expectancy. All that it could expect is that it would retain its customers only so long as it met their demand for a quality product at a competitive price.

Moreover, RFE's witnesses conceded that its former customers began purchasing "Popcorn" anodes from SPM solely because the latter offered a lower price for precisely the same product. Thus, it has been established that SPM's mailings and letters were not a proximate cause of any business loss suffered by RFE. We conclude that RFE has failed to adduce evidence of the first and third *Chaves* elements sufficient to withstand the entry of summary judgment against it.

V.

The summary judgment entered on behalf of SPM by the district court is affirmed as to RFE's claim under state law for tortious interference with contractual relations. The court's judgment is vacated, however, on the claims for trademark infringement and for unfair competition under the Lanham Act, and on the state-law infringement claim. The case is remanded for further proceedings, with instructions for the district court to treat the distinctiveness of RFE's "Popcorn" trademark as conclusively established.

AFFIRMED IN PART, VACATED IN PART, AND REMANDED WITH INSTRUCTIONS

Appendix B

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

RFE INDUSTRIES, INC., Plaintiff,	:	Civil Action No. 92-1097 (HAA)
v.	:	**ORDER**
SPM CORPORATION, Defendant.	:	

Ackerman, D.J.

This matter having come before the Court upon a motion by defendant SPM Corporation ("SPM") to dismiss the Complaint for lack of personal jurisdiction; and this court having fully considered the submitted briefs and the record before it; and for the reasons expressed in my opinion issued this same day; and for good cause shown:

It is on this 8th day of January, 1993:

ORDERED that defendant SPM's motion is dismissed without prejudice.

/s/ Harold A. Ackerman

Harold A. Ackerman, U.S.D.J.

Appendix C

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ORIGINAL FILED
SEP 27 1993
William T. Walsh, Clerk

RFE INDUSTRIES, Plaintiff, v. SPM CORPORATION, Defendant.	Hon. Harold A. Ackerman Civ. No. 92-1097 REPORT AND RECOMMENDATION

STANLEY R. CHESLER, U.S. Magistrate

This matter comes before the Court on the motion of defendant, SPM Corporation, to dismiss the case for lack of personal jurisdiction pursuant to Federal Rule of Civil Procedure 12(b)(2). This motion was referred to the undersigned by the Honorable Harold A. Ackerman. Oral argument was heard on September 13, 1993.

BACKGROUND

Plaintiff, RFE Industries ("RFE"), a corporation with its principal place of business in New Jersey, brought this action against defendant SPM Corporation ("SPM"), which maintains its principal place of business in Virginia, contending that SPM committed trademark infringement, tortious interference with plaintiff's business relationships, unfair competition, and several violations of 15 U.S.C. § 1125 (the Lanham Act). Specifically, RFE contends that SPM has utilized the word "popcorn" in connection with the distribution of silver anodes. RFE further asserts that it originally employed the term "popcorn" to identify its silver anodes and anode plating

system, and that its buyers and potential buyers commonly associate the term "popcorn" with plaintiff corporation.

SPM responded to RFE's Complaint by filing a motion to dismiss the Complaint for lack of personal jurisdiction pursuant to Federal Rule of Civil Procedure 12(b)(2). On January 13, 1993, the Honorable Harold A. Ackerman subsequently issued an Order and Opinion dismissing the defendant's motion without prejudice and directing that RFE be allowed to conduct discovery on the issue of personal jurisdiction.

Defendant SPM now renews its motion to dismiss the Complaint for lack of personal jurisdiction. In support of its motion, SPM maintains that it has no office or place of business in New Jersey, and that it maintains no employees, agents, property, equipment or other assets in New Jersey. Additionally, SPM notes, it is not registered or authorized to conduct business in New Jersey, but rather in Virginia. Finally, SPM argues that its products do not find their way to New Jersey via the stream of commerce, because its customers use the silver anodes for silver plating, and not for redistribution in New Jersey.

In response, RFE contends that because SPM's trademark infringement and other alleged wrongs caused injury in New Jersey, defendant should be subject to personal jurisdiction in this state. Moreover, plaintiff contends, because SPM maintains customers in eighteen states and Puerto Rico, it could reasonably anticipate that a trademark infringement would subject it to personal jurisdiction in New Jersey.

DISCUSSION

A. Motion to Dismiss for Lack of Personal Jurisdiction

A federal court may exercise personal jurisdiction over a forum non-resident to the extent authorized by the law of the forum state. *Provident Nat'l Bank v. California Federal Sav. & Loan Ass'n*, 819 F.2d 434, 436 (3d Cir. 1987); *Fed. R. Civ. P.* 4(e). The courts of New Jersey allow service upon a non-resident to the full limits permitted by the Due Process Clause

of the Fourteenth Amendment to the United States Constitution. *Charles Gendler & Co. v. Telecom Equip. Corp.*, 102 N.J. 460, 469 (1986). See N.J. Court Rule 4:4–4. The Due Process Clause of the Fourteenth Amendment requires that a non-resident defendant have certain minimum contacts with the forum state such that maintenance of the suit "does not offend traditional notions of fair play and substantial justice." *International Shoe Co. v. Washington*, 326 U.S. 310, 320 (1945) (quoting *Milliken v. Meyer*, 311 U.S. 457 (1940)).

The plaintiff bears the burden of establishing the propriety of jurisdiction over a non-resident defendant, *see Gehling v. St. George's School of Medicine, Ltd.*, 773 F.2d 539, 542 (3d Cir. 1985), through sworn affidavits or other competent evidence. *North Penn Gas Co. v. Corning Natural Gas Corp.*, 897 F.2d 687, 689 (3d Cir.), *cert. denied*, _ U.S. _ , 111 S. Ct. 133 (1990). To meet its burden, plaintiff must demonstrate the existence of either general jurisdiction or specific jurisdiction over the defendant. *Provident Nat'l Bank v. California Federal Sav. & Loan Ass'n*, 819 F.2d 434 (3d Cir. 1987). General jurisdiction exists when the non-resident defendant is found to have continuous and systematic general business contacts with the forum state. These contacts, however, need not relate to the specific cause of action in question. *See Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414–16 (1984); *Provident Nat'l Bank*, 819 F.2d at 437. Specific jurisdiction exists when the particular cause of action upon which plaintiff sues arises from the non-resident defendant's activities within the forum state.

The Court must first determine whether plaintiff has established general personal jurisdiction over defendant. If plaintiff has done so, then this Court has jurisdiction over defendant. If plaintiff has not done so, the Court must determine whether plaintiff has demonstrated the existence of specific personal jurisdiction over defendant.

1. General Personal Jurisdiction

A plaintiff must demonstrate significantly more than mere minimum contacts to establish general jurisdiction. *See*

Dollar Sav. Bank v. First Secur. Bank, N.A., 746 F.2d 208, 212 (3d Cir. 1984). The non-resident's with the forum must be continuous and substantial, *Gehling*, 773 F.2d at 541, and central to the nonresident's business. *Provident Nat'l Bank*, 819 F.2d at 438.

In this case, RFE has not met the burden of establishing the propriety of jurisdiction over SPM. RFE has provided no indication that SPM's contacts with New Jersey, if any, were more than random and fortuitous. For example, RFE offers the Court no reason to find personal jurisdiction in the face of SPM's assertion that it maintains no office or place of business in New Jersey, and that it maintains no employees, agents, property, equipment or other assets in New Jersey. Additionally, RFE offers no evidence to counter SPM's assertion that it is neither registered nor authorized to conduct business in New Jersey, but rather only in Virginia.

In light of the foregoing, the Court is not persuaded that plaintiff has met its burden of establishing "continuous and substantial" forum contacts. Plaintiff has made no effort to demonstrate the extent and volume of any such contacts or that such contacts were "continuous and substantial" in nature.

Based upon the facts before the Court, the Court concludes that defendant lacks the "continuous and substantial" business relationship with New Jersey to subject it to general personal jurisdiction. Thus, the Court will now consider whether plaintiff has established specific personal jurisdiction over defendant.

2. Specific Personal Jurisdiction

Specific personal jurisdiction may be invoked only when the plaintiff's claim arises out of or relates to the defendant's contacts with the forum state. *See Dollar Savings Bank*, 746 F.2d at 211; *Rutherford v. Sherburne Corp.*, 616 F. Supp. 1456, 1460 (D.N.J. 1985). Because jurisdiction in the forum exists only as to the legal consequences of acts committed there by the defendant, plaintiff need only establish minimum

contacts between the defendant and the forum. *See Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474 (1985); *Paolino v. Channel Home Centers*, 668 F.2d 721 (3d Cir. 1981). In determining whether minimum contacts exist, the Court must focus on whether the defendant conducted activities in the forum such that the defendant might "reasonably anticipate being haled into court there." *World-wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980).

When addressing a question of personal jurisdiction, the Court's central concern is the predictability and fairness of exercising jurisdiction over the defendant. *See Valik v. Killington Ltd.*, No. 89-842, United States District Court, D.N.J., at 5 (Unpub. Decision, Nov. 27, 1990). To ensure predictability and fairness, there must be "some act by which the defendant purposely avails itself of the privilege of conducting activities within the forum state, thus invoking the benefits of its laws." *Hanson v. Denckla*, 357 U.S. 235, 253 (1958). This requirement ensures that a defendant will not be haled into a jurisdiction solely as a result of its random, fortuitous, or attenuated contacts with the forum, *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 774 (1984), or of the unilateral activity of another. *Helicopteros*, 466 U.S. at 417.

RFE grounds its assertion that New Jersey has specific personal jurisdiction over SPM in its interpretation of *Horne v. Adolph Coors Co.*, 684 F.2d 255 (3d Cir. 1982). In *Horne*, this Circuit instructed that "both a state trade secret and a patent should be deemed to have their fictional situs at the residence of the owner." *Id.* at 259. This language, RFE emphasizes, confers jurisdiction over SPM in New Jersey because that is the situs of the plaintiff whose rights were allegedly infringed. That argument cannot be accepted, because it is an incomplete reading of the *Horne* decision. While it is true that *Horne* contemplated vesting jurisdiction with the state in which the holder of the allegedly infringed patent or trademark resides, this is by itself insufficient. Indeed, in *Horne*, this circuit went on to note that not only had defendant placed its product in the stream of interstate commerce, but also that "some of [the Coors cans] actually were sold in New

Jersey, where the patent owner resides." *Id.* at 260. Accordingly, although *Horne* permitted the situs of the harm to lie with the forum wherein the patent owner resided, it did not, as RFE suggests, turn a blind judicial eye to the stream of commerce and minimum contacts factors that undergird traditional specific personal jurisdiction analysis.

In fact, Judge Ackerman's earlier opinion in this matter makes clear the elements RFE must demonstrate, under *Horne*, to prove that New Jersey may assert personal jurisdiction over SPM: "If SPM knew of RFE's common law mark, if products made and marketed by SPM violated that mark, and if some of these products reached New Jersey, it would not be a violation of due process for New Jersey to exercise jurisdiction over SPM." *RFE Industries, Inc. v. SPM Corp.*, Civ. No. 92-1097, United States District Court, D.N.J., at 6 (Unpub. Decision, Jan. 13, 1993). As Judge Ackerman stated in that decision, it was not clear at that point whether the Court could impute constructive knowledge of RFE's unregistered trademark to SPM sufficient to assert personal jurisdiction pursuant to *Horne*. *Id.* Accordingly, Judge Ackerman dismissed without prejudice SPM's motion to dismiss the Complaint for lack of personal jurisdiction, and instructed RFE "to conduct discovery on the jurisdictional issue." *Id.*

During the reconsideration of this motion, however, plaintiff has presented no new evidence in support of its claim that this Court should assert personal jurisdiction over SPM. Specifically, plaintiff has failed to prove that SPM knew of RFE's common law mark, and that the allegedly infringing products reached New Jersey via the stream of commerce. With regard to notice of the trademark, plaintiff has made no effort to persuade the Court that SPM had any knowledge of the trademark allegedly held by RFE. Rather than make any effort to fill the evidentiary void noted by Judge Ackerman in his prior opinion, plaintiff has simply chosen to argue that *Horne* does not require actual or constructive knowledge of the trademark, or that SPM's product reached New Jersey and thereby

interfered with plaintiff's market.[1] Unfortunately for plaintiff, Judge Ackerman's opinion forecloses any such argument. Having failed to present any evidence on either of these critical issues, it is clear that plaintiff has failed to meet its evidentiary burden.

For these reasons, the Court must conclude that plaintiff has failed to set forth facts sufficient to establish either general personal jurisdiction or specific personal jurisdiction over defendant. Thus, personal jurisdiction is lacking over defendant. Nevertheless, this Court's lack of personal jurisdiction over SPM does not compel it to dismiss plaintiff's Complaint, as SPM maintains. Under 28 U.S.C. § 1404(a), Congress the Court may transfer a case over which it has no personal jurisdiction. Section 1404(a) states in full: "For the convenience of the parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." Because defendant SPM maintains its principal place of business in Virginia, the case originally could have been brought in the Western District of Virginia. Accordingly, this case may be transferred to the Western District of Virginia, rather than dismissed.

CONCLUSION

For the reasons set forth above, it is the recommendation of the undersigned that the Court does not have personal jurisdiction over defendant, SPM Corporation, and that this matter be transferred to the Western District of Virginia pursuant to 28 U.S.C. § 1404(a).

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[1] At oral argument, counsel for plaintiff sought additional discovery on these issues. His brief, however, merely contained a request for additional discovery for the purpose of establishing "general jurisdiction." Because there is absolutely no conceivable basis for establishing general jurisdiction, additional discovery on this issue is unwarranted. Moreover, plaintiff received all the discovery he sought on the issues reserved by Judge Ackerman, and his last-ditch effort at oral argument to forestall the inevitable by seeking additional discovery must be rejected.

The parties are reminded that, pursuant to Local Rule 40D, they have ten (10) days from receipt of this Report and Recommendation to file objections to it.

/s/ Stanley R. Chesler
STANLEY R. CHESLER,
U.S. Magistrate Judge

Orig: Clerk
cc: Dep. Clerk
All Parties
File

Appendix D

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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2-28 1994
WILLIAM T. WALSH, CLERK
By: /s/
(Deputy Clerk)

FILED FEB 25 1994
At 8:30 _____ M
WILLIAM T. WALSH
CLERK

RFE INDUSTRIES, Plaintiff, v. SPM CORPORATION, Defendant.	Civ. Action No. 92-1097 (HAA) **ORDER**

Ackerman, D.J.

This matter comes before the Court on the motion defendant SPM Corporation to dismiss the case for lack of personal jurisdiction pursuant to Fed. R. Civ. P. 12(b)(2). The motion was referred to the Honorable Stanley R. Chesler, United States Magistrate Judge.

On September 27, 1993, Judge Chesler filed a Report and Recommendation, in which he found that personal jurisdiction did not exist. Judge Chesler recommended that this matter be transferred to the Western District of Virginia, pursuant to 28 U.S.C. §1404(a). No objections to the Report and Recommendation have been filed.

I have reviewed the Report and Recommendation pursuant to 28 U.S.C. §636(b)(1)(C), and am in full agreement with it;

THEREFORE IT IS ON THIS 25th day of February, 1994

ORDERED that the Report and Recommendation filed September 27, 1993 is incorporated by reference and adopted in full; and it is further

ORDERED that this matter be transferred to the Western District of Virginia, pursuant to 28 U.S.C. § 1404(a).

/s/ Harold A. Ackerman

Harold A. Ackerman, U.S.D.J.

Appendix E

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

CLERK'S OFFICE????
AT LYNCHBURG, VA
FILED
APR 28 1995
MORGAN E. SCOTT, JR., CLERK
BY: FAY COLEMAN

RFE INDUSTRIES, INC.,
Plaintiff,
v.
SPM CORPORATION,
Defendant.

Civil Action No. 94-0020-L

MEMORANDUM OPINION

By: Jackson L. Kiser,
Chief Judge
United States District Court

This is a trademark infringement and unfair competition suit in connection with the sale of silver anodes used in the electroplating industry. RFE, a New Jersey corporation, first filed its complaint in March 1992 in the District of New Jersey. In Count I, it alleges trademark infringement, in violation of the Lanham Act, 15 U.S.C. § 1051-1127; in Count II, unfair competition, also in violation of the Lanham Act; in Count III, tortious interference with contract; and in Count IV common law trademark infringement. The suit was transferred from New Jersey to this Court in February 1994. The parties are now before me on RFE's motion to retransfer the case to New Jersey and SPM's motion for summary judgment. For the reasons set forth below, I will deny RFE's motion to retransfer and grant SPM's motion for summary judgment.

I. Facts

Both SPM and RFE are manufacturers of silver anodes for the electroplating industry. These anodes come in a variety of shapes. RFE claims it had developed and marketed a shape of silver anode as silver "popcorn" in 1989 in response to a customer request. RFE Brief, Exh. A, Audette depo. at 13. RFE asserts that it was a totally new product and attaches customer affidavits to that effect. RFE Brief, Exh. B-E. It spent $125,000 marketing "popcorn." RFE Brief, Exh. G, Plaintiff's Response to Defendant's First Interrogatories. RFE has been manufacturing and advertising this particular product since September 1989. SPM Brief, Exh. H, Audette depo. at 22. While RFE claims it invented the product, Audette depo. at 13, SPM asserts that the product has existed in the tin industry since 1987 and has existed for 20 years in the jewelry side of the precious metals industry. Wood affid. ¶ 4.

In 1991, SPM allegedly began selling an identical product with the name "popcorn" (it now sells the shape as "snowflake"). RFE alleges that SPM discovered its manufacturing process though SPM refuses to disclose its process, claiming that it is proprietary. RFE Brief, Exh. J, Woody depo. at 123-33. (To manufacture the product, molten silver is poured into cold water. When it hits the water it freezes into irregular shapes that resemble popcorn. SPM Brief, Exh. I, Lurhman affid. ¶ 2.) In response to plaintiff's supplemental interrogatories, RFE Brief, Exh. I, No. 7, SPM indicated that it knew before its use of the term "popcorn" that RFE used it "in a descriptive and generic manner." According to SPM, other manufacturers also sell this product, *see* SPM Brief, Exh. E, Noles affid. ¶ 2; Exh. F, Wood affid. ¶ 4. According to one distributor, the product of the various manufacturers looks the same and is not asked for by name. SPM Brief, Exh. G, Shibel affid. ¶ 2.

From September 1991 through March 1992, SPM sent out letters to potential customers offering to sell them "either slab or popcorn anodes" and enclosing a small sample of "our silver popcorn" for the customer's consideration. SPM Brief,

Exh. J (letter from Woody to Scott Baum at A-square Industries). SPM asserts that its use of the term was purely descriptive. SPM Brief, Exh. C, Woody depo. at 123. SPM asserts that letters went out to only 25 customers (of a possible 1500 in the silver plating industry), Audette depo. at 21, though RFE has uncovered at least one other previously undisclosed letter to Bob Co Enterprise. RFE Brief, Exh. J.

RFE asserts that most of the letters went to current RFE customers. A "popcorn letter" to F.M. Callahan & Son made its way to RFE and RFE sued. Upon learning of the suit in March 1992, SPM ceased using the term. Woody depo. at 39. (RFE alleges that SPM continues to violate trade dress standards by shipping its flake anodes in virtually identical packaging.) Only three customers who received the letter made purchases before the lawsuit and one of them does not even recall receiving the letter, SPM Brief, Exh. K, Giese affid. ¶ 3. In addition, during this period, customers were invoiced for this product using the term "silver nugget." SPM Brief, Exh. L (copy of invoice). Some purchases were made after the suit was filed and SPM ceased using the term, but those customers, such as A-squared Systems, were not confused as to the source of the product and based their decision to change manufacturers on such factors as price, customer service, or SPM's other reputable clients. *See, e.g.*, SPM Brief, Exh. M, Baum affid. ¶ 4. RFE has countered with affidavits of two recipients of the letter who claimed to be confused by the letter, thinking SPM was somehow affiliated with RFE because it sold popcorn too. RFE Brief, Exh. D, Shumski affid. ¶ 3–5; Exh. C, Vigeant affid. ¶ 2–4.

Subsequent to the filing of this suit, RFE's mark was federally registered. It was published April 6, 1993, and the registration was issued November 9, 1993. RFE Brief, Exh. F.

II. RFE's Motion to Retransfer

When this suit was first filed in New Jersey, SPM moved to dismiss the complaint for lack of personal jurisdiction. By affidavit of its president, Allen Woody (Freeman Affid. Exh. I) SPM asserted that it did no business in New Jersey, had

never sold or shipped any product to a customer in New Jersey. The court denied the motion without prejudice on January 8, 1993, and permitted discovery on the jurisdictional issue. RFE submitted interrogatories and requests for production of documents regarding SPM's contacts with New Jersey. Freeman Affid., Exh. A, C. In April 1993, SPM's president certified that the company had no contracts with any New Jersey business, no New Jersey customers, and did not send products to any New Jersey customer. Freeman Affid. Exh. B. Its only contact with New Jersey was a 1990 meeting in New Jersey regarding the purchase of certain chemicals from an unnamed New Jersey supplier. SPM, in response to the document requests, stated that it had no documents showing any transaction with a New Jersey customer or the sale of products in New Jersey. Freeman Affid., Exh. I. Prior to transfer in February 1994, it did not supplement these answers. In May 1993, it renewed its motion to dismiss and, in support, submitted its discovery responses and resubmitted Woody's affidavit. The magistrate judge recommended that the court had no personal jurisdiction and recommended transfer to the Western District of Virginia under 28 U.S.C. § 1404(a). Freeman Affid. Exh. J. The district court adopted the recommendation by order entered February 25, 1994. Freeman Affid. Exh. K.

RFE has now filed a motion to retransfer, or in the alternative to continue, asserting that the jurisdictional information provided by SPM was false and misleading. Only recently, and since transfer, SPM has produced invoices with New Jersey customers, one of whom existed prior to SPM's answers to interrogatories, discussed above. Freeman Affid., Exh. M. SPM also purchased products from a New Jersey customer as early as November 1992. Freeman Affid., Exh. F. Moreover, it misrepresented its 1990 relationship with the unnamed New Jersey business (now known to be Englehard)--it purchased not chemicals, but silver salts. It also had a distribution agreement with a New Jersey based company, Englehard, beginning in 1990. Freeman Affid., Exh. G (letters reflecting relationship). RFE argues that SPM's relationship with the

New Jersey company was both continuous and significant. *See also* Freeman Affid., Exh. H (Woody depo. 157-58, 219).

RFE argues that if SPM had provided truthful and accurate responses to the jurisdictional discovery, this case would never have been transferred. Consequently, based on this newly discovered evidence, RFE asks the Court to retransfer the case to the District of New Jersey based on *United States v. Copley*, 25 F.3d 660 (8th Cir. 1994); *Lloyd v. FDIC*, 22 F.3d 335 (1st Cir. 1994). The New Jersey court relied on *Horne v. Adolph Coors* Co., 684 F.2d 255 (3d Cir. 1982) (espousing the "effects" theory),[1] where the court found jurisdiction in a patent infringement case though the defendant had no contacts with the forum state because the goods defendant placed in the stream of commerce would harm the patent holder wherever he resided. The magistrate judge stated that if SPM knew of RFE's common law mark, if SPM's goods violated that mark, and if some of those goods reached New Jersey, then personal jurisdiction there would not violate due process.

RFE argues that the District of New Jersey had personal jurisdiction based on the following new evidence. Between 1991 and March 1992, SPM marketed silver anodes with the name "popcorn," it sold products to New Jersey customers, and it has admitted in answers to interrogatories that it knew of RFE's use of the name "popcorn." *See* Freeman Affid., Exh. L. RFE further argues that the New Jersey court would have found not only specific but general jurisdiction based on SPM's relationship with Englehard. Furthermore, SPM had at least one New Jersey customer when it said it had none, and it now has six New Jersey customers.

I find that retransfer is not proper here. First, in the cases upon which RFE relies, the transferee court did not have

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[1] The effects or "stream of commerce" theory has not been uniformly accepted as indicated in *Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1558, 1564 (Fed. Cir. 1994), *cert. dismissed*, 115 S. Ct. 18 (1994), neither across circuits nor within the Fourth Circuit specifically.

jurisdiction; whereas jurisdiction is proper in this Court. Second, to retransfer the case would be tantamount to sitting in review of another district court, which I may not do, under *Ellicott Machine Corp. v. Modern Welding Co.*, 502 F.2d 178, 180 (4th Cir. 1974). To retransfer the case based on the new evidence likewise would force me to second guess the New Jersey court. Third, the law of the case doctrine, as enunciated in *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 816-17 (1988), also dictates that I may revisit the New Jersey court's decision only if it is clearly erroneous or would work a manifest injustice. Neither is present here. Even if SPM's responses to discovery in New Jersey did not reveal fully the nature of its relationship with Englehard, both RFE and the New Jersey court were on notice of the relationship, and RFE could have investigated the matter more fully at that time. Furthermore, I question whether the New Jersey court would find that the handful of contacts with New Jersey customers (coming both before and after this suit was filed) provides sufficient contacts with that forum. I also find that a continuance is unnecessary particularly as I will grant summary judgment for SPM.

III. Summary Judgment

SPM seeks summary judgment on Counts I, II, and IV of RFE's complaint and its own counterclaim for declaratory judgment to the effect that RFE's trademark is generic or descriptive and without secondary meaning in the marketplace. In the alternative SPM seeks summary judgment that RFE can recover no monetary damages because there is no evidence of actual confusion. As to Count III, SPM argues that the contracts were "at will," and RFE cannot show SPM had prior knowledge of the existence of the contracts and that SPM acquired RFE customers through legitimate business competition.

A. Standard for Summary Judgment

A moving party is entitled to summary judgment "if the pleading, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that

there is no genuine issue as to material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). *See Charbonnages de France v. Smith*, 597 F.2d 406 (4th Cir. 1979); *Shaw v. Stroud*, 13 F.3d 791, 798 (4th Cir.), *cert. denied*, 115 S. Ct. 67 (1994).

In considering SPM's motion for summary judgment, I must view the facts and draw reasonable inferences in a light most favorable to the nonmoving party, RFE. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). As the party seeking summary judgment, SPM bears the initial burden to show an absence of evidence to support RFE's case. *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986). RFE must then demonstrate that a triable issue of fact exists. *Anderson*, 477 U.S. at 248. A mere scintilla of evidence supporting the case is insufficient. *Id.*

B. Trademark Infringement

Registered trademarks are entitled to a presumption of validity, but because the alleged infringement occurred before the mark was registered this presumption is not effective. *See G. Heilman Brewing Co. v. Anheuser-Busch, Inc.*, 676 F. Supp. 1436, 1466 (E.D. Wis. 1987), *aff'd*, 873 F.2d 985 (7th Cir. 1989). RFE therefore bears the burden of establishing that it had a mark worthy of protection. As RFE notes, a common law or unregistered trademark is still entitled to protection under the Lanham Act, 15 U.S.C. § 1125(a), as long as it otherwise meets the standard for protectability. *Centaur Communications v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1220 (2d Cir. 1987). SPM may be liable for infringement only if RFE has an exclusive right to use the term "popcorn" with silver anodes, and RFE establishes a likelihood of confusion. *See Jefferson Bankshares, Inc. v. Jefferson Sav. Bank*, 14 U.S.P.Q.2d (BNA) 1443 (W.D. Va. 1989).

1. Classification of the Mark

Trademarks are generally classified into four categories, based on their strength as a mark. Arbitrary and suggestive

marks are the strongest and are entitled to legal protection immediately upon first use, without attaining secondary meaning. *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984). Descriptive marks are entitled to legal protection upon a showing that they have acquired secondary meaning. *Id.* Generic marks are entitled to no protection.

SPM argues that the term "popcorn" is generic or, at most, descriptive and without secondary meaning in the marketplace. Conversely, RFE argues that it is suggestive or at least descriptive with secondary meaning. I find that the mark, as used here, is neither generic nor suggestive, but descriptive. SPM itself admits in its brief that the term is a short-hand description of the product and that there are other descriptive terms. It is not generic — it does not refer to the genus of silver anodes of which this product is a mere species, in contrast to aspirin, for example. *See Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). The distinction between descriptive and suggestive marks is harder to draw, but I hold that this mark describes a characteristic of the product — its shape or appearance — rather than suggesting it. The customer needs little imagination to move from the image of popcorn, the food, to the silver anode sold under that name, *see Pizzeria Uno*, 747 F.2d at 1528, particularly because the parties refer to it as "silver popcorn" making clear the reference is to shape, not color.

2. Secondary Meaning

That I find the mark merely descriptive does not end the inquiry, because, as I mentioned above, if the mark has attained secondary meaning in the marketplace, it is entitled to protection. The following factors are significant in analyzing secondary meaning: long use, advertising, sales volume, and identity of service or origin in the minds of the purchasing public. *Id.* at 1528 n.3; *Frances Denney, Inc. v. New Process Co.*, 670 F. Supp. 661, 668 (W.D. Va. 1985), *aff'd*, 228 U.S.P.Q. (BNA) 360 (4th Cir. 1986). Here, I must agree with SPM that RFE has failed to establish that the mark had gained the requisite secondary meaning at the time of the alleged

infringement, in the fall of 1991, when the first popcorn letters went out. *See Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121, 125–26 (4th Cir. 1990) (placing burden on plaintiff to prove secondary meaning at the time of the alleged infringement). At that time, RFE had been using and marketing silver anodes under the name "popcorn" for only two years, since September 1989. SPM has argued that it did not know at that time that RFE was using the term as a trademark. Indeed, RFE did not take the trouble to designate it as such. SPM itself used the mark in a purely descriptive fashion, not to identify origin. It did not set the mark apart in the text of its letters, but instead used the term as it also used the term "slab," to describe a shape of silver anode.

RFE could produce only three customers who were confused by SPM's use of the mark, i.e., who associated the term with RFE. Two of those customers did not purchase the product in question from SPM, and the third did not use the product. RFE did not produce any survey or other evidence of customers' association of "popcorn" with RFE. Audette depo. at 30-31. *Compare Jefferson Bankshares*, 14 U.S.P.Q. 2d (BNA) 1443 (survey that demonstrated customer confusion); *Frances Denney*, 670 F. Supp. at 666 (evidence of misdirected correspondence and packages). SPM, by contrast, introduced evidence from customers who averred or testified that they did not associate the product or the name "popcorn" with RFE. Wood affid. ¶ 6, SPM Brief, Exh. P, Michaels affid. ¶ 3, Baum affid. ¶ 3, Shibel affid. ¶ 2; SPM Reply Brief Exh. B, Lafazia affid. ¶ 2; Exh. C, Barnes depo. at 6; Exh. D, Wallace depo. at 20. SPM's customers have averred that they were not confused and considered the term to be descriptive only. Giese affid. ¶ 4; Michaels affid. ¶ 3; Baum affid. ¶ 2; SPM Reply Brief, Exh. H, McCouwn depo. at 56. Only three customers purchased the product from SPM before the suit, and two have averred that they were not confused. SPM also introduced evidence that the term had been used in the precious metals industry by other manufacturers for as long as twenty years and that another manufacturer, Sunshine Bullion, used the term in 1992 without confusing a potential customer as to origin. Noles affid. ¶ 3. RFE's evidence of

confusion is too slight to create an issue of material fact and overcome summary judgment and, therefore, its claim for infringement must fail. Because I have determined that as of 1991, RFE had not established a secondary meaning and, therefore, did not have an exclusive right to use the mark, I need not determine whether there was a likelihood of confusion between the parties or goods.

C. Tortious Interference

To establish its tortious interference claim in Virginia, RFE must prove: (1) the existence of a valid contractual relationship not terminable at will or a business expectancy; (2) that SPM knew of the relationship; (3) intentional interference in inducing or causing breach or termination; and (4) resulting damage. *Chaves v. Johnson*, 335 S.E.2d 97, 102 (Va. 1985).[2]

As SPM points out, RFE's business relationships are classic examples of "at will" contracts. *See Town of Vinton v. City of Roanoke*, 80 S.E.2d 608, 616 (Va. 1954). RFE sells the product when a customer calls a sales representative and asks for a discrete quantity of product. It then fills the order and bills the customer. After the customer pays, the customer may call again or may not. Leiner depo. at 119–20. RFE also has "blanket orders," also for discrete amounts, where the customer will call and ask for releases of the product until the total amount is exhausted. Leiner depo. at 117. RFE has not provided evidence that SPM interfered with these blanket orders. *Id.* at 118.

RFE correctly notes that it need not have a formal written contract under *Chaves*; a "business expectancy" is sufficient. It argues that it had ongoing relationships with its lost customers such that a jury could infer that it had an expectation of an ongoing economic relationship. In addition, a jury could further infer that when customers confirmed their current use

---

[2] The parties did not dispute that Virginia law governs this claim, and, in fact, both cited *Chaves;* therefore, in the absence of their objection, I will apply Virginia law.

of silver popcorn, they also confirmed that RFE was their supplier. SPM admitted it knew of RFE's prior use of the term popcorn before it decided to sell the identical product using the identical name. This, it argues, together with SPM's careful marketing efforts raises the inference that SPM knew of RFE's customers and targeted them for the sale of silver popcorn. RFE's layers of inference are insufficient to withstand summary judgment on this count. At most, it has shown that it had the opportunity for repeat business. Second, SPM asserts that it did not limit its promotion of this particular silver anode to RFE customers. Moreover, several former RFE customers averred that they switched to SPM because of price or better customer service. Giese affid. ¶ 5; Michaels affid. ¶ 4. RFE concedes that customers switched because of price alone. Leiner depo. at 89–91; Audette depo. at 47–49. Legitimate business competition is an affirmative defense to a claim of tortious interference. *See Chaves*, 335 S.E.2d at 103. Summary judgment is therefore appropriate.

D. Cancellation of RFE's Trademark

SPM has also moved for cancellation of RFE's trademark, under 15 U. S. C. §1119. As conceded by Mr. Woody during oral argument, there is at least a factual dispute as to whether the mark as registered by the Patent and Trademark Office is valid. Therefore, summary judgment is not appropriate.

An appropriate order shall issue.

/s/ Jackson L. Kiser

Chief United States District Judge

A TRUE COPY, TESTE:
Morgan E. Scott, Jr., Clerk

by: /s/ Fay Coleman
Deputy Clerk

Appendix F

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

FILED APR 28, 1995
Morgan E. Scott, Jr., Clerk
by: /s/ Fay Coleman
Deputy Clerk

RFE INDUSTRIES, INC., Plaintiff, v. SPM CORPORATION, Defendant.	Civil Action No. 94-0020-L **ORDER**

For the reasons set forth in the accompanying memorandum opinion, it is hereby **ADJUDGED** and **ORDERED** that plaintiff's motion to retransfer is DENIED.

It is **FURTHER ORDERED** that defendant's motion for summary judgment is GRANTED in part and DENIED in part. The motion is granted as to plaintiff's claims as set forth in Counts I, II, III, and IV of the complaint. The motion is denied as to defendant's counterclaim.

Because there is only one remaining issue — the validity of plaintiff's registered trademark — the case, currently set for a five-day trial beginning May 8, 1995, is hereby continued. The parties are directed to contact Mr. Golightly to reschedule the case for trial.

The clerk is directed to send a certified copy of this order and accompanying memorandum opinion to all counsel of record.

ENTERED this 28th day of April, 1995.

A TRUE COPY, TESTE:
Morgan E. Scott, Jr., Clerk

by: /s/ Fay Coleman
Deputy Clerk

/s/ Jackson L. Kiser
Chief United States District Judge

THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

CLERK'S OFFICE????
AT LYNCHBURG, VA
FILED AUG 28 1995
MORGAN E. SCOTT, JR.,
CLERK
BY: FAY COLEMAN

RFE INDUSTRIES, INC.,
Plaintiff,
v.
SPM CORPORATION,
Defendant.

Civ. Action No. 94-0020-L

ENTERED

FINAL ORDER

This day came the parties, by counsel, and advised the court that the defendant, SPM Corporation, desires to dismiss its pending Counterclaim without prejudice and that the plaintiff, RFE Industries, Inc., desires to withdraw its pending motion for reconsideration which is scheduled to be heard orally on August 29, 1995.

Upon due consideration, it is hereby ORDERED that defendant's Counterclaim be dismissed without prejudice and, in the event this matter is appealed and the case is remanded, leave to refile a Counterclaim will be granted.

Given plaintiff's desire to withdraw its motion for reconsideration, that motion is now moot and, there being nothing further to decide in this matter, it is further ORDERED that the remainder of this case be dismissed with prejudice and stricken from the docket.

M#289044

By execution of this Order, the time for filing a notice of appeal of this Court's Order dated April 28th 1995 shall begin to run pursuant to Fed. R. App. P. 4.

Dated this 25th day of August, 1995.

/s/ Jackson L. Kiser
United States District Judge

Seen and Agreed:

/s/ Phillip V. Anderson
Phillip V. Anderson, Esq.
Gentry, Locke, Rakes & Moore
10 Franklin Road S.E.
P. 0. Box 40013
Roanoke, Virginia 24038

and

Bruce H. Nagel, Esq.
David M. Freeman, Esq.
Nagel Rice & Dreifuss
301 South Livingston Avenue
Livingston, New Jersey 07039-3991

Counsel for RFE Industries, Inc.

A TRUE COPY, TESTE:
MORGAN E. SCOTT, JR.
CLERK
BY: FAY COLEMAN
DEPUTY CLERK

/s/ Paul C. Kuhnel
Dudley F. Woody, Esq. (VSB No. 16836)
Michael F. Urbanski, Esq. (VSB No. 20700)
Paul C. Kuhnel, Esq. (VSB No. 28151)
Woods, Rogers & Hazlegrove, P.L.C.
First Union Tower, Suite 1400
10 South Jefferson Street
P. 0. Box 14125
Roanoke, Virginia 24038-4125
(540) 983-7600

Counsel for Defendant Southwestern Services, Inc., d/b/a S.P.M. Corporation

M#289044

Appendix G

OUR FILE: 2139-1 RSB/7594

EVANS, OSBORNE & KREIZMAN
COUNSELLORS AT LAW
180 WHITE ROAD
SUITE 101
LITTLE SILVER, NEW JERSEY 07739
(908) 741-9550
ATTORNEYS FOR Defendant SPM Corporation

RFE INDUSTRIES, Plaintiff,	:	UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY
v.	:	
SPM CORPORATION, Defendant.	:	Civil Action No. 92-1097 (HAA)

AFFIDAVIT OF
ALLEN O. WOODY

COUNTY OF ROANOKE:

SS:

COMMONWEALTH OF VIRGINIA:

ALLEN O. WOODY, being of full age having been duly sworn upon his oath, deposes and says:

1. I am the President of SPM Corporation, a Virginia corporation, with its principal place of business at Route 460, Montvale, Virginia. I am fully familiar with all aspects of said company's business.

2. In April, 1992, SPM Corporation received a copy of a Summons and Complaint in the above captioned matter. This Complaint seeks injunctive relief and damages in connection with alleged common law trademark infringement, unfair

competition, and tortious interference with contractual relations.

3. For the last six years SPM Corporation has been engaged, in part, in the business of the manufacture and sale of high purity silver anodes used primarily for silver plating. SPM Corporation has no office or place of business in New Jersey, nor does it have any personnel, employees, or agents in that State. The Corporation does not own any property, equipment, or other assets in New Jersey. The corporation is not registered or authorized to do business in New Jersey.

4. SPM Corporation does not do business in the State of New Jersey, and has never sold or shipped any product to a customer in New Jersey. The corporation has never directed a written or printed solicitation or advertisement to a potential customer in New Jersey. Apart from purchasing chemicals from a New Jersey company for distribution by SPM in other states, SPM Corporation has no business relations with any individual or entity in New Jersey.

/s/ Allen O. Woody
ALLEN O. WOODY

Sworn to and subscribed
before me this
20th day of July, 1992.

/s/ [illegible]

Appendix H

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

NAGEL & RICE, ESQS.
301 South Livingston Avenue
Livingston, New Jersey 07039
(201) 535-3100
Attorneys for Plaintiff

RFE INDUSTRIES, INC., Plaintiff, vs. SPM CORPORATION, Defendant.	Civil Action No. 92-1097 (HAA) PLAINTIFF'S REQUEST FOR THE PRODUCTION OF DOCUMENTS REGARDING PERSONAL JURISDICTION

TO: Robert S. Bonney, Jr., Esq.
Evans, Osborne & Kreizman
P.O. Box BB
Red Bank, New Jersey 07701-0569

SIR:

PLEASE TAKE NOTICE that plaintiff RFE Industries, Inc. ("RFE") demands that defendant SPM Corporation ("SPM") produce for inspection and copying the documents and tangible things listed on the attached Rider. Production is to be made at the offices of Nagel & Rice, 301 South Livingston Avenue, Livingston, New Jersey within the time prescribed by law.

NAGEL & RICE, ESQS.
Attorneys for Plaintiffs

By: /s/ Christopher P. Gengaro
Christopher P. Gengaro

DATED: October 7, 1992

DEFINITIONS

1. "You" or defendant means defendant SPM Corporation ("SPM") (including, where specified, its parent) and any and all agents, consultants, employees, successors, assigns, any persons acting or purporting to act on their behalf, and any and all divisions, subsidiaries or predecessors in name or interest.

2. "Document" includes the original and each copy differing from the original of correspondence, contracts, invoices, shipping memoranda, credit memoranda, charts, reports, tabulations, notes, letters, telegrams, studies, inter and intra office communications, video tapes, audio tapes, computer input and output, and other written or printed matter of any kind or description whatsoever.

3. "Identify" or "Identity" when used with regard to a person, partnership, corporation, or business entity, means to give the name, present or last known address, and also, if a person, his present or last known employer, the address of the employer, and the position and job title of the person.

4. "Identify" or "Identity" when used with regard to a document, means to give the type of document (e.g. letter, memorandum, telegram, chart, report, etc.), the date, author addressee, file and/or identifying number, and the name and address of its custodian or, if the document no longer exists, the date on which and the reason for which it was destroyed.

5. "Refer" or "relate" means containing, alluding to, responding to, commenting on, discussing, showing, disclosing, explaining, mentioning, analyzing, constituting, comprising, evidencing, concerning, setting forth, describing, summarizing or characterizing, either directly or indirectly, in whole or in part.

6. Plaintiff shall mean the plaintiff RFE Industries, Inc. ("RFE") and any and all agents, consultants, employees, successors, assigns, any persons acting or purporting to act on

their behalf and any and all parent companies, divisions, subsidiaries or predecessors in the name or interest.

RIDER

1. Each and every invoice submitted to SPM's New Jersey customers over the past 3 years.
2. Minutes, drafts of minutes, notes, audio and/or video tape recordings of each and every SPM meeting held in New Jersey.
3. SPM's Certificate of Incorporation.
4. Copies of any and all SPM advertisements circulated and/or published in New Jersey.
5. SPM's authorization to do business in New Jersey.
6. A copy of each and every complaint SPM has filed in a New Jersey Court, State or Federal.
7. A copy of each and every Answer to a complaint that SPM has filed in a New Jersey Court, State or Federal.
8. Any and all documents, including, but not limited to, memoranda, that evidence, refer or relate to SPM's customers and/or conducting of business in New Jersey.
9. Any and all documents that evidence, refer or relate to SPM's strategy, or attempts, to do business and/or solicit business in New Jersey.
10. Any and all correspondence between SPM on the one hand, and any New Jersey person and/or entity on the other, within the past five (5) years.
11. Any and all documents that evidence, refer or relate to SPM's customer's sale of products in New Jersey.
12. Any and all documents that evidence, refer or relate to SPM's knowledge that its products eventually find their way to New Jersey.

rpdrfe.wd1

Appendix I

OUR FILE: 2139-1 RSB/7594

EVANS, OSBORNE & KREIZMAN
COUNSELLORS AT LAW
180 WHITE ROAD
SUITE 101
LITTLE SILVER, NEW JERSEY 07739
(908) 741-9550
ATTORNEYS FOR Defendant SPM Corporation

RFE INDUSTRIES, Plaintiff, vs. SPM CORPORATION, Defendant.	UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY Civil Action No. 92-1097 (HAA) **DEFENDANT'S ANSWERS TO PLAINTIFF'S REQUEST FOR PRODUCTION OF DOCUMENTS REGARDING PERSONAL JURISDICTION**

TO: CHRISTOPHER P. GENGARO, ESQ.
Nagel & Rice
301 South Livingston Avenue
Livingston, New Jersey 07039

SIR:

PLEASE TAKE NOTICE that the following is defendant SPM Corporation's response to plaintiff's request for production of documents regarding personal jurisdiction:

1. None

2. None

3. See attached copy of document.

4. None.

5. None.

6. None.

7. None.

8. None. SPM Corporation has no customers and conducts no business in New Jersey.

9. Documents relating to chemicals purchased from a large national corporation with an office in New Jersey are irrelevant to the subject matter of this litigation and this motion. Said documents also contain proprietary and confidential information of the defendant.

10. None that our records reveal.

11. None.

12. None.

EVANS, OSBORNE & KREIZMAN
Attorneys for Defendant
SPM Corporation

By: /s/ Robert S. Bonney, Jr.
ROBERT S. BONNEY, JR.

Dated: April 20, 1993

Appendix J

OUR FILE: 2139-1 RSB/7594

EVANS, OSBORNE & KREIZMAN
COUNSELLORS AT LAW
180 WHITE ROAD
SUITE 101
LITTLE SILVER, NEW JERSEY 07739
(908) 741-9550
ATTORNEYS FOR Defendant SPM Corporation

RFE INDUSTRIES, Plaintiff, vs. SPM CORPORATION, Defendant.	UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY Civil Action No. 92-1097 (HAA) **DEFENDANT'S ANSWERS TO PLAINTIFF'S INTERROGATORIES REGARDING PERSONAL JURISDICTION**

TO: CHRISTOPHER P. GENGARO, ESQ.
Nagel & Rice
301 South Livingston Avenue
Livingston, New Jersey 07039

SIR:

PLEASE TAKE NOTICE that the defendant, SPM Corporation, responds to plaintiff's interrogatories regarding personal jurisdiction as follows:

1. None.

2. No shipments of product to New Jersey.

3. In 1990, a representative of SPM attended a meeting at the offices of a large national corporation to discuss the purchase by SPM of chemicals manufactured by the national corporation.

4. No.

5. No.

6. No.

7. Not to SPM Corporation's knowledge.

8. No.

9. No, except for purchase orders placed with and filled by the national corporation referred to in interrogatory number 3.

10. None, other than the occasional purchases by SPM Corporation referred to in answers to interrogatories number 3 and 9.

11. No.

12. None.

13. No.

14. See previous answers to interrogatories 3, 9 and 10. SPM Corporation objects to the disclosure of the large national corporation from whom it purchases chemicals. SPM does not purchase silver anodes from said corporation.

15. Objection — SPM Corporation does not sell silver "popcorn" anodes. Without waiving the objection, SPM has no knowledge that any silver anodes it sells are, in turn, sold or distributed. SPM Corporation has only shipped to end users.

16. SPM Corporation has no knowledge of what its customers do with their products or the identity of their customers.

17. No.

18. Objection — SPM Corporation does not sell silver "popcorn" anodes. SPM has no knowledge of its silver anodes finding their way into New Jersey. Objection is also made to the reference "(regardless of their form)", as same is vague, ambiguous and incomprehensible.

I certify, under penalty of perjury, that the foregoing answers to interrogatories are true.

/s/ Allen O. Woody, III
ALLEN O. WOODY, III
President, SPM Corporation

Sworn to and subscribed
before me this 27th
day of April, 1993.

/s/ [illegible] Neighbors
My Commission Expires May 14, 1993

Appendix K

SPM Corporation
Montvale Industrial Park • Route 460 • P.O. Box 538
Montvale, VA 24122 • 703/947-5407

December 26, 1991

Mr. Harold Lilly
Electric Materials Corp.
P.O. Box 390
North East, PA 16428

Dear Harold,

I enjoyed our phone conversation today. I was pleased to learn that your company uses silver anodes on a regular basis. SPM Corporation would be happy to supply either slab or popcorn anodes at thirty cents over the spot price of silver. I'm sending a small sample of our silver popcorn for your consideration.

SPM Corporation is in the silver recovery business and for the past five years we've manufactured and sold high purity silver anodes. From serving companies in Virginia and the Carolinas we've now grown to serving thirty-seven silver platers in eighteen states and Puerto Rico. We have never had a single complaint about our silver quality or purity.

Last year we concluded an agreement with Engelhard Corporation which enables us to distribute silver salts to our customers. Our price on salts is contained silver plus 80 cents.

As with all our other customers, I'm sure timely delivery and high purity are important concerns. We can normally ship within 24 hours of the receipt of an order. We will provide an assay from an independent laboratory upon request. Our silver is always .999+.

If you have scrap silver, we can refine it for you at competitive prices. We can return anodes, gold, silver, cash or any other precious metal item you may desire.

We at SPM Corporation realize to compete with the giant companies in the silver business, we have to provide excellent service and quality products at a low price. We are dedicated to fulfilling these goals.

We would be proud to add Electric Materials Corp. to our ever growing list of satisfied customers. Please contact us for your next silver purchase.

Sincerely,

Allen O. Woody, III
President, SPM Corporation

CONFIDENTIAL/
RESTRICTED

S100006

Appendix L

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VIRGINIA
LYNCHBURG DIVISION**

RFE INDUSTRIES, INC., Plaintiff,	:	Civil Action 94-0020-L
vs.	:	
SPM CORPORATION, Defendant.	:	AFFIDAVIT OF DAVID M. FREEMAN

STATE OF NEW JERSEY :
COUNTY OF ESSEX : SS

I, DAVID M. FREEMAN, being duly sworn upon my oath depose and say:

1. We represent the plaintiff RFE Industries, Inc., ("RFE") in this action. I am an attorney at law in the State of New Jersey and I have been admitted *pro hac vice* before this Court in this action. I submit this Affidavit in further support of plaintiff RFE's motion to retransfer this action to the United States District Court for the District of New Jersey.

2. In its original application, RFE advised the Court of several material misrepresentations made by defendant SPM in connection with its original application to have this action transferred to this Court from the United States District Court for the District of New Jersey. Since the time we originally filed this application we have discovered additional specific information as to SPM's prior misstatements. Specifically, in RFE's original application we informed the Court how SPM deliberately misrepresented its relationship with Engelhard Corporation ("Englehard"). Although SPM disclosed that it

purchased certain chemicals from Engelhard it did not disclose that the product was actually silver salts, a companion product used in conjunction with silver anodes in the electroplating process. Nor did SPM disclose the extent and nature of its contacts with this New Jersey company.

3. Specifically, from January 1991 through the time that this lawsuit was filed in March 1992, SPM made at least 19 purchases of goods from Englehard in a total amount of over $32,000.00 as follows:

1/18/91	$1,800.00
5/24/91	$ 64.23
6/11/91	$1,912.14
6/13/91	$ 393.09
7/29/91	$1,950.05
8/2/91	$1,901.15
8/13/91	$1,898.06
8/22/91	$1,950.05
8/22/91	$ 420.39
9/10/91	$1,900.78
9/26/91	$1,903.87
10/30/91	$2,488.00
11/22/91	$2,487.11
12/12/91	$3,064.75
1/17/92	$2,298.72
2/10/92	$1,142.54
2/18/92	$2,283.90
2/21/92	$2,472.78
3/5/92	$ 570.53
	$32,902.14

Copies of invoices reflecting these sales are attached hereto as Exhibit A. Moreover, through February 1995, Engelhard's records show that SPM made purchases from them in excess of $800,000. Copies of these invoices are attached hereto as Exhibit B. Although SPM admitted that it did business with Engelhard as early as 1990, Engelhard representatives have advised that all records prior to 1991 have been destroyed. Thus, it is undisputed that SPM has had a substantial and

continuous relationship with Englehard commencing in 1990 and continuing throughout this litigation. Accordingly, for the reasons set forth herein and in plaintiff's moving papers, RFE respectfully requests that this action be retransferred to the United States District Court for the District of New Jersey.

/s/ David M. Freeman
DAVID M. FREEMAN

Sworn and Subscribed Before Me
This 23rd Day of March, 1995

/s/ Rosalie A. Gamba

ROSALIE A. GAMBA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES NOV 19, 1998

c:\. . .\affid

Appendix M

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

RFE INDUSTRIES, INC., Plaintiff,	:	Civil. Action No. 94-0020-L
v.	:	
SPM CORPORATION, Defendant.	:	

DEFENDANT'S SUPPLEMENTAL RESPONSES TO PLAINTIFF'S INTERROGATORIES

SPM Corporation ("SPM"), by counsel, and for its supplemental responses to plaintiff, RFE Industries, Inc.'s ("RFE") First Interrogatories, states the following:

General Objections

SPM objects to any interrogatory which seeks the disclosure or production of any information which is protected from discovery by the attorney client privilege or the work product doctrine.

INTERROGATORIES

7. Was SPM aware, prior to its first use of the term Popcorn in connection with Silver Anodes, that RFE was utilizing the term in the same manner?

ANSWER: SPM only used the term "popcorn" in a generic or descriptive manner. It is unclear what is meant by "utilizing the term in the same manner." Subject to this qualification, SPM believes it was aware, prior to the first use of the term by SPM, that RFE was utilizing the term in a descriptive and generic manner.

M#260781

8. Has SPM ever been informed that RFE was using the term popcorn in connection with Silver Anodes?

ANSWER: SPM is not aware of any specific occasion when it was informed that RFE was using the term "popcorn" in connection with Silver Anodes prior to the institution of this action. SPM was aware, as described in Response to Interrogatory No. 7, that RFE was also using the term "popcorn." However, SPM believed that any use of the term "popcorn" by RFE was likewise in a generic or descriptive manner.

9. If the answer to the preceding interrogatory is in the affirmative, set forth:

A. The identity of each and every person and/or entity that so informed SPM;

B. Each and every date that SPM was so informed;

C. SPM's response each and every time that it received such information; and

D. Attach hereto any and all documents that evidence refer or relate to any and all occasions on which SPM has received such information.

ANSWER: See Response to Interrogatory No. 8.

To Answers:

/s/ Allen O. Woody, III
Allen O. Woody, III

Date: February 24, 1995

M#260781

STATE OF VIRGINIA)
) To-Wit:
City of Roanoke)

This day personally appeared before me, Allen O. Woody, III, and made oath that the foregoing Answers to Interrogatories are true and correct according to the best of his/her knowledge, information and belief.

Subscribed and sworn to before me this 24th day of February, 1995.

/s/ Betty H. Jones
Notary Public

My commission expires: 1/31/99

To Objections:

Respectfully submitted,

S.P.M. Corporation

By: /s/ Paul C. Kuhnel
Of Counsel

Dudley F. Woody, Esq.
Michael F. Urbanski, Esq.
Paul C. Kuhnel, Esq.
Woods, Rogers & Hazlegrove, P.L.C.
First Union Tower Suite 1400
10 South Jefferson Street
P.O. Box 14125
Roanoke, Virginia 24038-4125

Counsel for Southwestern Services, Inc. d/b/a S.P.M. Corp.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Defendant's Supplemental Responses to Plaintiff's Interrogatories was sent via facsimile and first-class mail to David M. Freeman, Esq., Nagel & Rice, 301 South Livingston Avenue, Livingston, New Jersey 07039-3991 and hand delivered to Phillip V. Anderson, Esq., Gentry, Locke, Rakes & Moore, P.O. Box 1018, Roanoke, Virginia 24005, counsel for plaintiff; this 24th day of February, 1995.

/s/ Paul Kuhnel

No. 96-1722

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In The Supreme Court Of The United States

OCTOBER TERM 1996

RFE INDUSTRIES, INC.,

Petitioner,

v.

SPM CORPORATION,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

WHETHER THE COURT OF APPEALS, UNDER AN ABUSE OF DISCRETION STANDARD, PROPERLY UPHELD THE DISTRICT COURT'S DECISION NOT TO RETRANSFER THE CASE FROM VIRGINIA TO NEW JERSEY?

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BRIEF IN OPPOSITION
TO PETITION FOR WRIT OF CERTIORARI

STATEMENT OF THE CASE

A. Procedural History.

RFE Industries, Inc. ("RFE") brought this action for trademark infringement, unfair competition and tortious interference against SPM Corporation ("SPM") in the United States District Court for the District of New Jersey in 1992. The case involves several letters which were sent by SPM to entities in the silver plating industry during a brief time frame before SPM knew RFE claimed any sort of common law mark to the phrase "popcorn." Only three of those entities solicited actually purchased popcorn shaped anodes from SPM. There is no evidence any of them were confused into thinking they were purchasing RFE's product. SPM stopped using the phrase as soon as RFE notified it of its position. (JA 227-28.)[1] Other anode manufacturers were also using the same name for the same product. (JA 161, 164.)

SPM moved to dismiss the New Jersey action pursuant to Rule 12(b)(2) of the Federal Rules of Civil Procedure for lack of personal jurisdiction. Magistrate Judge Stanley R. Chesler entered a Report and Recommendation dated September 27, 1993, recommending that the district court find that it lacked personal

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[1]References to the Joint Appendix in the Court of Appeals will be made as follows: ("JA ___.)

jurisdiction over SPM and transfer this case to the United States District Court for the Western District of Virginia pursuant to 28 U.S.C. § 1404(a). (A. 10-17.)

The Magistrate's Report recommended that the Court find that it lacked personal jurisdiction, both general and specific, over SPM. As to general jurisdiction, the Magistrate's Report stated:

> RFE has not met the burden of establishing the propriety of jurisdiction over SPM. RFE has provided no indication that SPM's contacts with New Jersey, if any, were more than random or fortuitous. For example, RFE offers the Court no reason to find personal jurisdiction in the face of SPM's assertion that it maintains no office or place of business in New Jersey, and that it maintains no employees, agents, property, equipment or other assets in New Jersey. Additionally, RFE offers no evidence to counter SPM's assertion that it is neither registered nor authorized to conduct business in New Jersey, but rather only in Virginia.

> In light of the foregoing, the Court is not persuaded that plaintiff has met its burden of establishing "continuous and substantial" forum contacts. Plaintiff has made no effort to demonstrate the extent and volume of any such contacts or that such contacts were "continuous and substantial" in nature.

(A. 13, emphasis added.)

As regards specific personal jurisdiction, the Magistrate found that "plaintiff has failed to prove that SPM knew of RFE's common law mark, and that the allegedly infringing products reached New Jersey via the stream of commerce. With regard to notice of the trademark, plaintiff has made no effort to persuade the Court that SPM had any knowledge of the trademark allegedly held by RFE." (A. 15.)

RFE did not object to Magistrate Chesler's Report and Recommendation -- a fact which the District Court Judge in New Jersey specifically noted (A. 18) -- and on February 25, 1994, the District Court adopted the Magistrate's Report and Recommendation and Ordered that the case be transferred to Virginia. (A. 18.)

Following transfer to Virginia, discovery proceeded on the merits. On March 16, 1995, just weeks before a scheduled trial, RFE filed a motion to retransfer the case to

New Jersey. (JA 4.) By memorandum opinion and order dated April 28, 1995, the Honorable Jackson L. Kiser, Chief Judge of the United States District Court for the Western District of Virginia, denied the motion to retransfer. First, the court found that the cases relied upon by RFE to support retransfer were those in which the transferee court did not have jurisdiction, whereas jurisdiction in this case was proper in Virginia. (A. 24-25.) Also, the district court expressed reluctance to second guess the judgment of the New Jersey court, particularly where its decision was neither clearly erroneous nor would work a manifest injustice. (A. 25.) The district court further determined that SPM's earlier discovery responses put RFE on notice of its relationship with Englehard (a New Jersey supplier of silver salts), but that RFE chose not to investigate the matter more fully at that time. (A. 25.) Finally, the district court expressed doubt that SPM's scant contacts with New Jersey were sufficient to confer personal jurisdiction. (A. 24-25.)

On appeal, RFE conceded that an abuse of discretion standard applied to the retransfer issue. The United States Court of Appeals for the Fourth Circuit flatly rejected RFE's claim that the District Court abused its discretion:

> The district court below observed that, had the district court in New Jersey known of SPM's then-existing contacts with the putative forum state, it nonetheless need not have determined that

those contacts were so substantial as to require it to assert personal jurisdiction over SPM. We agree that, even had the New Jersey court been fully apprised of the nature and quality of SPM's contacts, it could have nevertheless exercised its sound discretion to grant the transfer motion.

We note also that RFE failed to demonstrate below that, as of the date it moved for retransfer, it has been or would be prejudiced by being compelled to litigate in Virginia. Moreover, there has been no showing that SPM perpetrated a fraud on the court by intentionally concealing its contacts with New Jersey. In light of the above considerations, we hold that the district court below did not abuse its discretion by denying the motion for transfer.

(A. 4.)

B. The Underlying Dispute.

This case hinged upon whether the term "popcorn" is an enforceable trademark for the product at issue -- a type of silver anode that resembles movie theater popcorn. (JA 7.)[2] Both SPM and RFE are manufacturers of silver anodes for the silver plating industry and make silver anodes in a variety of shapes. (JA 139-40, 194a-95.) Silver anodes are used in electroplating and come in many different shapes: "slab" anodes (bar shaped), "cone" anodes (cone shaped), "balls" (spherical), "shot" (BB's), and the popcorn shaped product at issue.[3] Popcorn shaped anodes are made by pouring molten silver into cold water. When the silver hits the water, it freezes into irregular shapes that look like popcorn. (JA 165.)

This process has been used for years in the precious metals industry to make jewelry. (JA 157.) One of SPM's witnesses, Joe Wood, stated that he has been manufacturing the same product for the jewelry industry for twenty years and calling the silver version "silver popcorn shot" and the gold version "gold popcorn shot" for the same length of time. (JA 157.) Mr. Wood further indicated that "[t]he

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[2]RFE's claim in its Petition that the "popcorn" anodes do not look like popcorn is remarkable. The only evidence of record -- including statements from RFE's own Counsel (Hearing of April 3, 1995, p. 1) -- is to the contrary. (JA. 171, 189.)

[3]At the summary judgment hearing, the district court examined each of these anode shapes. An RFE advertisement using a movie theater popcorn container to highlight the popcorn shape of the anode appears at JA 7.

term 'popcorn' has been in the precious metals vernacular for as long as I have been in the field." (JA 158.) Another witness testified that he described a tin product he sold as 1987 in these terms: "[I]t looks like a popped kernel of corn." (JA 173.)

Others have sold silver anodes of this shape, including Sunshine Bullion, Aureus, Ltd., Technique, and Meloon Enterprises. (JA 157, 161-64, 169.) In the words of one distributor, all these manufacturers' product looks the same and "customers in the silver plating industry do not ask for this product by name." (JA 169.)

From approximately September of 1991 through March of 1992, SPM sent out a few letters to silver platers offering to sell them "either slab or popcorn anodes" and enclosing a small sample of "our silver popcorn" for the customer's consideration. (JA 15.) In these letters, SPM used the term in a descriptive manner, (JA 311), which is borne out by the fact that SPM enclosed a sample of the product.

RFE's evidence of alleged infringement is limited to those 25 or so letters which were sent before SPM had any notice that RFE was claiming that the term popcorn was its common law trademark. Moreover, RFE admitted that it had no evidence that SPM knew it was writing RFE's customers. (JA 135-36.)

These few letters were sent out based on cold calls made at random from a shop guide which listed silver platers. (JA 241-42, 257-58.) Of the handful of customers who received the letters, the record establishes that very

few, indeed only three, ever bought silver popcorn anodes from SPM. (JA 159, 168; A. 22.) The consistent evidence from SPM's customers was that those who purchased anodes from SPM did so for price and service reasons, and not because a letter from SPM contained the term silver popcorn. (JA 171.) No evidence was presented by RFE that any purchaser of popcorn shaped anodes from SPM was confused as to their origin. In fact, the undisputed evidence was to the contrary. (JA 156-76, 180-84.) SPM's first notice that RFE was claiming a common law trademark in the term popcorn occurred when it was served with this lawsuit. (JA 227-28.) Thereafter, SPM ceased sending out any letters mentioning silver popcorn. (Id.)

C. Contacts with New Jersey.

RFE sued SPM, a Virginia corporation, in New Jersey in March, 1992. At that time, SPM had no silver anode customers in New Jersey and had not sent any of the alleged infringing letters to New Jersey. (JA 22.) SPM had no offices or employees in New Jersey. Despite exhaustive discovery on the issue of SPM's contacts with New Jersey, the record contains no evidence of any sales by SPM into New Jersey prior to suit being filed. Additionally, the record contains no evidence of any sales of popcorn shaped silver anodes to companies in New Jersey. After suit was filed, SPM has had a few isolated sales of products (other than popcorn shaped silver anodes) to New Jersey companies. (JA 32, 40, 59, 72.) One such sale of a non-popcorn item occurred prior to SPM's filing of discovery responses. Allen Woody explained in his

deposition that the failure to note the sale of an unrelated product to a New Jersey customer in discovery responses was simply an oversight. (JA 351.)

Also, at the time suit was filed, SPM was a distributor of silver salts manufactured by Englehard, a New Jersey company. Silver salts are used to prepare plating baths and are not considered part of a silver anode line. (JA 140, 344.) As the District Court noted (A. 25), RFE was aware of SPM's relationship with Englehard, prior to the transfer, based upon a document in its possession (JA 53), and the affidavit of Allen Woody filed in the New Jersey court in support of SPM's motion to dismiss for lack of personal jurisdiction which mentioned the distribution relationship without naming Englehard. (JA 12, 22.)

The district court and Fourth Circuit correctly concluded that these isolated and unrelated contacts did not establish a basis for retransfer. It remains unrebutted that SPM had no office or place of business in New Jersey, maintained no office or place of business there, maintained no employees, agents, property or other assets in New Jersey. Nor was it registered or authorized to conduct business in that state.

REASONS FOR DENYING THE WRIT

RFE suggests no split in the Circuits on the questions raised in its appeal. It contends that this "Court should consider this application and establish standards for a retransfer application where the initial transfer was

fraudulently obtained." (Petition at 10.) Yet no court has accepted RFE's claims that fraud played any role in the decision below. Such claims, in fact, have been flatly rejected. (A. 4.)

RFE clings, in this fact-based case, to claims that jurisdiction would have been appropriate in New Jersey if the Court had been apprised of several scant contacts between SPM and New Jersey. The contacts concerning SPM's relationship with Englehard were not unknown. At the time the original transfer decision was reached, the New Jersey court had before it evidence of SPM's relationship with a "large national corporation" (which was in fact Englehard) from discovery and RFE had in its possession a copy of a letter which referenced SPM's relationship with Englehard. (JA 145-46.) Even so, the New Jersey court ruled in no uncertain terms, supra at 2-3, that jurisdiction did not attach without significantly greater contacts.

The smattering of sales since transfer -- and after filing of the suit -- are hardly relevant. "In general, federal jurisdiction depends on the facts as they exist at the time suit is commenced, and is not conferred or directed by later changes." Moore's Federal Practice ¶ 3.06[1] 3-34; quoting Lanigan v. Boston Terminal Corp., 112 F. Supp. 957, 958 (D. Mass. 1953); Keene Corp. v. United States, 508 U.S. 200, 124 L. Ed. 2d 118, 128 (1993) ("[A] court's jurisdiction depends upon the state of things at the time the action is brought.") There is no evidence that any sales of the SPM product at issue, silver popcorn, were made to any New Jersey customer at any time prior to or after the case

being transferred to Virginia.[4] In fact, only one sale of a different product, was made to a New Jersey customer, Ewing Cast, on February 18, 1993 -- after suit was filed, but prior to SPM executing its written discovery responses.[5]

Indeed, the New Jersey court had provided a lengthy laundry list of factors militating against general jurisdiction, supra at 2-3. Nothing in RFE's new claims changes the fact that SPM maintains no office or place of business, no employees, agents, property, equipment or other assets in New Jersey. Nor is it authorized to conduct business in New Jersey. These factors were deemed controlling by the New Jersey court. Similarly, none of RFE's current claims affect the factors listed by the New Jersey Court as relevant to questions of specific jurisdiction. (See supra at 3.) Plainly specific jurisdiction is lacking here. Under these circumstances, the Fourth Circuit correctly ruled that Judge Kiser of the Western District of Virginia did not abuse his discretion in failing to retransfer the case to New Jersey.

Moreover, under the law of the case doctrine, once an issue is decided, it should not be relitigated in the same

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[4]The Virginia court was cognizant of the fact that, after transfer, a few sales of items other than silver "popcorn" anodes were made by SPM to customers in New Jersey. (JA 32, 40, 59, 72.)

[5]As Mr. Woody stated in his deposition, the failure to reflect the one sale of an unrelated product to a New Jersey customer in SPM's discovery responses which were served in April of 1993 was an oversight. (JA 351.)

case. See 1B J. Moore, Moore's Federal Practice, ¶ 0.404[1] (2d ed. 1995). The rationale behind the rule is to promote the "judicial system's interest in finality and in efficient administration." Todd & Co., Inc. v. S.E.C., 637 F.2d 154, 156 (3rd Cir. 1980). When applied in the transfer context, Professor Moore notes that "reconsideration of a transfer order creates a dispute between trial courts, often courts reviewed by different appellate courts, that may be years in resolution. Accordingly, it is usually more efficient to accept the decision of the transferor court and get on with the case." Moore's Federal Practice at ¶ 0.404[8]. Judge Kiser's decision to "get on with the case" was fully appropriate:

> [T]o retransfer the case would be tantamount to sitting in review of another district court, which I may not do, under Ellicott Machine Corp. v. Modern Welding Co., 502 F.2d 178, 180 (4th Cir. 1974). To retransfer the case based on the new evidence likewise would force me to second guess the New Jersey court. Third, the law of the case doctrine, as enunciated in Christianson v. Colt Indus. Operating Corp., 486 U.S. 800, 816-17 (1988), also dictates that I may revisit the New Jersey court's decision only if it is clearly erroneous

> or would work a manifest injustice. Neither is present here.

(A. 25.)

The authorities relied upon by RFE do not support its transfer position. In U.S. v. Copley, 25 F.3d 660 (8th Cir. 1994), and Lloyd v. FDIC, 22 F.3d 335 (1st Cir. 1994), both cited by RFE, the cases were retransferred from districts in which the transferee court determined that it lacked either personal or subject matter jurisdiction. Here, the case was transferred to a district in which both personal jurisdiction and venue were proper.

Thus, the Virginia Court, vested with proper jurisdiction, declined to second guess the New Jersey decision -- particularly where the stated reasoning of the New Jersey Court (supra at 2-3) would not support jurisdiction even under the facts now alleged by RFE. The Fourth Circuit was entirely correct in upholding that decision.

CONCLUSION

This case does not merit further review by this Court. For the foregoing reasons, RFE's Petition should be denied.

Respectfully submitted,

SPM CORPORATION

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